

New Generation Asset	Grid Improvement Asset	Lost Cost Recovery
Construct asset		
Project requires lengthy construction period. Accrue AFUDC recognizing that there is a financing cost associated with raising the capital for the plant investment.	Project construction periods are short duration and often do not qualify for AFUDC which ignores the fact that there is a financing cost associated with raising the capital for these plant investments.	Lose recovery of financing cost during the construction period.
Plant becomes used and useful and goes into service		
Request deferral of post in-service operating and financing costs recognizing that these costs should be recovered but cannot be until a rate case is filed and new rates are effective.	Without a deferral, the post in-service operating and financing costs negatively impact the Company's earnings and are never eligible for recovery.	Lose recovery of operating and financing costs.
Rate case filing		
Continue deferral.	Cost recovery continues to be lost and earnings continue to be negatively impacted.	Continue to lose recovery of operating and financing costs.
Rates effective date		
Recovery begins for plant as well as deferred costs.	Recovery begins for plant on a go forward basis.	No opportunity to recover financing and operating costs for the construction period or the period between the time the asset goes into service and new rates are effective.
Cost recovery		
100%	Less than 100%	Zero opportunity to recover 100% of investment costs.